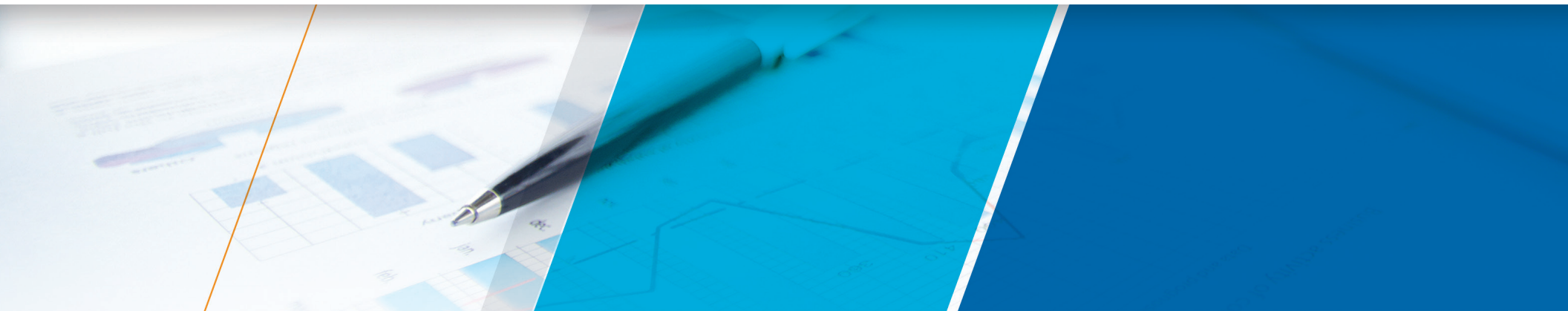


**EllieMae**<sup>®</sup>

JULY  
**2016**

Origination Insight Report



## INTRODUCTION

The Ellie Mae<sup>®</sup> *Origination Insight Report* provides monthly data and insights from a robust sampling of closed loan applications that flow through Ellie Mae's Encompass<sup>®</sup> mortgage management software and Ellie Mae Network<sup>™</sup>. The characteristics of closed and denied loans presented in this report are averages.

The *Origination Insight Report* mines its application data from a robust sampling of approximately 75% of all mortgage applications that were initiated on the Encompass origination platform. Given the size of this sample and Ellie Mae's market share, the Company believes the *Origination Insight Report* is a strong proxy of the underwriting standards that are being employed by lenders across the country.

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>PURPOSE</b>																	
<b>ALL LOANS</b>																	
REFI %	37%	34	37	40	45	46	47	43	46	44	42	37	36	38	42	47	53
PUR %	62%	65	62	59	55	52	52	56	53	55	57	62	63	61	58	52	46
<b>PURPOSE</b>																	
<b>FHA LOANS</b>																	
REFI %	16%	15	17	19	20	23	24	21	26	22	21	18	17	20	23	28	34
PUR %	83%	85	83	81	80	77	76	79	73	78	79	82	82	80	77	72	66
<b>PURPOSE</b>																	
<b>CONV LOANS</b>																	
REFI %	47%	43	47	51	56	57	58	54	55	54	52	48	45	48	52	59	64
PUR %	52%	56	51	48	43	42	41	45	43	45	46	51	54	51	47	41	36
<b>PURPOSE</b>																	
<b>VA LOANS</b>																	
REFI %	23%	21	22	25	27	29	31	26	33	29	28	26	24	26	29	32	35
PUR %	77%	79	78	75	73	71	69	74	67	71	72	74	76	74	71	68	65
<b>TYPE</b>																	
FHA %	23%	23	23	23	22	22	22	22	23	23	23	24	24	24	24	24	22
CONV %	65%	64	64	64	66	65	65	65	64	64	64	63	62	63	63	64	66
VA %	9%	9	9	9	9	9	10	9	10	9	9	10	10	10	10	9	9
OTHER %	4%	4	4	3	3	3	3	3	4	4	4	4	4	4	3	3	3

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>TIME TO CLOSE ALL (DAYS)</b>																	
ALL	46	46	45	44	44	46	50	49	49	46	46	47	48	48	46	45	44
REFI	48	47	44	44	41	44	48	47	49	45	46	50	52	52	49	48	45
PUR	46	46	45	45	45	48	51	50	49	46	46	45	45	45	43	43	44
<b>TIME TO CLOSE FHA (DAYS)</b>																	
ALL	47	47	45	45	44	47	51	49	49	47	47	46	47	47	45	44	43
REFI	49	47	45	44	42	43	47	45	47	45	48	50	53	53	49	47	43
PUR	47	46	45	44	45	49	52	50	50	48	46	45	46	46	43	43	43
<b>TIME TO CLOSE CONV (DAYS)</b>																	
ALL	45	46	44	44	43	46	49	49	49	45	45	47	47	48	46	46	45
REFI	46	47	44	43	41	44	48	47	49	44	46	50	52	52	49	48	45
PUR	44	45	44	44	45	47	50	50	49	45	44	43	45	44	42	42	44
<b>TIME TO CLOSE VA (DAYS)</b>																	
ALL	49	50	49	48	48	50	53	52	50	48	48	48	49	49	46	46	45
REFI	54	57	56	54	51	53	58	56	52	52	52	54	56	54	51	49	48
PUR	47	48	47	46	47	49	50	51	50	47	47	46	46	47	45	45	44

### Time to close held steady

Closing time for all loans remained at 46 days; time to close refis rose to 48.

### Average FICO score for closed loans increases

See page 7 for new FICO distribution data.

## MONTHLY ORIGATION OVERVIEW FOR CLOSED LOANS

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>ALL LOANS</b>																	
ARM %	4.5%	4.8	4.5	4.5	4.4	5.1	5.3	5.3	5.3	5.4	5.3	5.6	5.5	4.9	4.7	4.5	4.2
30-YR NOTE RATE	3.87	4.04	4.06	4.10	4.12	4.22	4.30	4.26	4.226	4.246	4.280	4.313	4.288	4.118	4.013	4.062	4.041
<b>FHA LOANS</b>																	
ARM %	0.3%	0.3	0.2	0.3	0.3	0.5	0.4	0.5	0.6	0.8	0.8	0.9	0.8	0.6	0.7	0.6	0.6
30-YR NOTE RATE	3.84	3.98	4.00	4.05	4.07	4.17	4.25	4.22	4.203	4.203	4.236	4.268	4.243	4.047	3.942	3.989	3.986
<b>CONV LOANS</b>																	
ARM %	5.3%	5.8	5.5	5.3	5.2	5.9	6.3	6.4	6.4	6.4	6.4	6.9	6.9	6.2	5.8	5.6	5.1
30-YR NOTE RATE	3.93	4.12	4.15	4.17	4.19	4.29	4.37	4.33	4.287	4.311	4.348	4.384	4.364	4.218	4.106	4.151	4.112
<b>VA LOANS</b>																	
ARM %	0.1%	0.1	0.1	0.2	0.2	0.4	0.3	0.5	0.7	0.9	0.8	1.2	0.8	0.6	0.4	0.5	0.5
30-YR NOTE RATE	3.66	3.84	3.83	3.88	3.90	4.01	4.06	4.05	4.062	4.064	4.088	4.126	4.095	3.871	3.841	3.830	3.819

The average 30-year rate for all loans decreased from 3.97 in June to 3.87 in July.

## MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

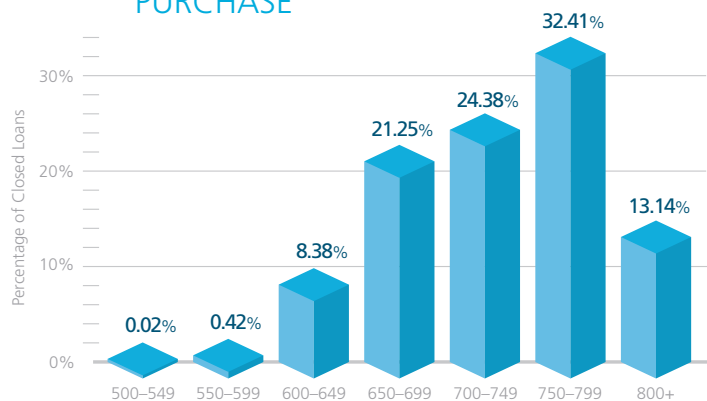
Percentage of loan applications in previous 90-day cycle that have closed

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>ALL LOANS</b>																	
CLOSING RATE %	71.6%	69.6	70.6	68.9	70.6	69.9	68.4	67.3	68.4	66.8	66.8	66.3	66.2	64.2	64.0	65.2	63.6
REFI %	66.6%	64.7	67.2	64.6	66.2	65.6	64.9	63.5	62.7	60.3	60.1	59.2	60.2	58.5	60.1	64.0	59.6
PUR %	75.7%	73.7	74.5	73.4	75.1	74.2	72.2	71.0	72.2	71.1	71.0	70.8	70.7	69.0	68.2	66.5	67.5
<b>FHA LOANS</b>																	
CLOSING	70.0%	68.4	71.2	66.7	67.5	67.8	66.0	63.4	63.8	62.1	61.3	60.2	58.2	57.6	57.1	55.0	53.6
REFI %	60.5%	59.3	59.4	57.3	58.6	59.0	58.6	51.6	53.2	50.8	48.6	45.6	42.6	44.6	48.9	50.0	37.5
PUR %	72.7%	71.0	74.6	70.6	71.1	71.4	69.0	67.3	67.8	66.5	65.9	65.8	65.3	64.1	63.1	59.5	60.6
<b>CONV LOANS</b>																	
CLOSING RATE %	72.1%	70.9	71.2	69.6	70.1	70.3	70.2	68.8	68.1	66.3	66.7	66.2	66.1	63.9	64.3	66.0	63.1
REFI %	68.3%	67.3	69.2	66.8	67.1	67.3	67.8	66.3	64.8	62.5	62.5	62.1	63.2	61.1	62.6	66.0	61.0
PUR %	76.3%	75.1	74.6	73.7	74.4	74.5	73.8	72.4	71.9	70.8	71.2	70.8	70.1	68.0	67.7	65.7	67.1
<b>VA LOANS</b>																	
CLOSING RATE %	67.4%	66.3	63.8	62.8	62.8	63.1	63.4	62.4	63.0	61.1	61.3	61.6	63.5	62.0	62.9	62.5	61.3
REFI %	46.6%	45.4	45.7	44.6	44.0	44.3	45.4	43.5	44.3	41.2	40.9	42.3	48.1	47.3	51.4	55.2	50.8
PUR %	77.0%	76.0	75.0	74.4	75.0	75.3	75.1	73.8	73.9	72.9	72.2	72.5	72.5	71.2	71.3	70.2	70.4

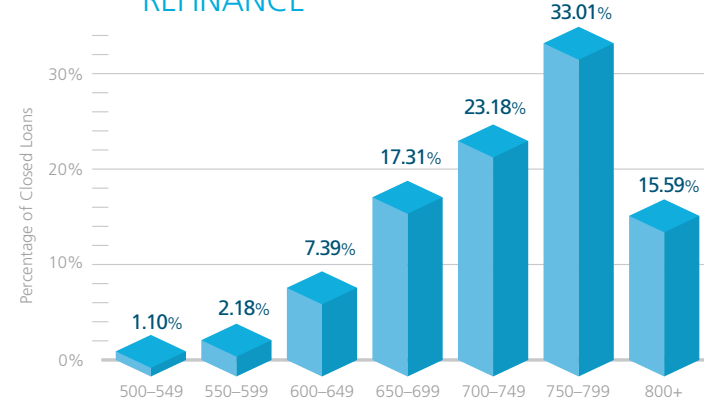
Overall closing rates increased from 69.6% in June to 71.6% in July. Refinance closing rates increased almost 2% from June. Purchase closing rates increased from 73.7% in June to 75.7%.

## JULY 2016 AVERAGE FICO SCORE DISTRIBUTION

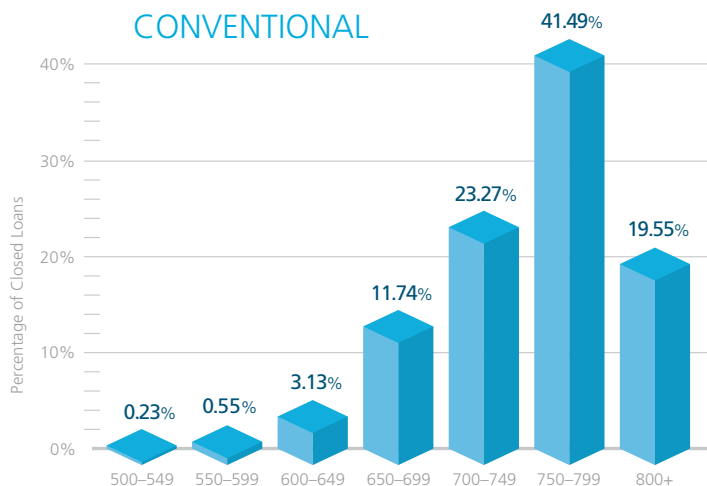
PURCHASE



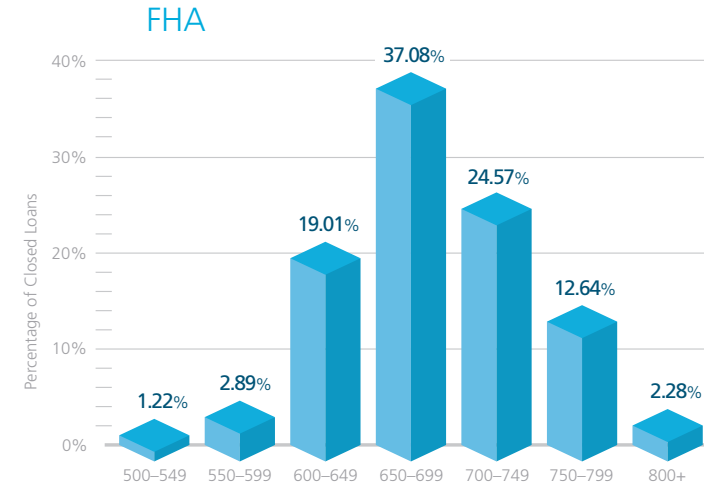
REFINANCE



CONVENTIONAL



FHA



69% of purchase loans in July closed with a FICO score above 700. 29% of purchase loans in July closed with a FICO score between 600 and 699.

## PROFILES OF ALL CLOSED LOANS

### Closed Loans

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>ALL</b>																	
FICO	727	726	724	723	722	720	719	722	721	722	723	724	725	727	730	729	731
LTV	80	81	81	80	80	79	79	80	79	80	80	81	81	81	81	80	79
DTI	24/38	24/38	24/38	25/38	25/38	25/39	25/39	25/39	25/39	25/39	25/38	25/38	25/38	24/38	24/37	24/38	24/37

The average FICO score on all closed loans was 727 in July, the highest since June 2015.



## PROFILES OF CLOSED FHA LOANS

### Closed loans

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>FHA-REFI</b>																	
FICO	654	653	654	653	652	650	645	651	648	654	661	660	660	677	683	682	685
LTV	79	79	79	78	79	79	80	80	80	81	81	81	81	82	84	85	85
DTI	28/45	28/45	28/45	28/45	28/45	28/46	29/46	29/47	30/47	29/46	28/45	28/45	28/45	27/44	26/41	26/41	26/41
<b>FHA-PUR</b>																	
FICO	686	686	686	685	685	686	687	688	687	687	689	689	689	689	688	686	685
LTV	96	96	96	96	96	96	96	95	96	96	96	96	96	95	95	95	95
DTI	27/41	27/41	27/41	27/41	27/41	27/41	28/42	28/41	28/42	28/41	28/41	28/41	28/41	27/41	27/41	27/41	27/41

### FHA-REFI (% OF REFIS @ 95 LTV+)

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
%	21.4%	19.5	19.4	19.8	20.9	18.6	17.7	18.9	19.9	15.4	15.4	23.9	27.5	30.9	35.8	38.1	41.6

The average FHA purchase FICO score remained steady at 686 while the average FHA FICO score increased to 654. The average conventional refi FICO score increased from 736 in June to 739 in July.

## PROFILES OF CLOSED CONVENTIONAL LOANS

### Closed loans

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>CON-REFI</b>																	
FICO	739	736	732	732	731	726	726	727	727	726	728	727	727	732	738	738	742
LTV	67	67	68	68	69	69	69	69	69	69	69	70	70	70	70	70	70
DTI	24/37	25/38	25/38	25/39	25/39	25/40	25/40	25/39	25/40	25/40	25/40	25/40	25/40	25/39	24/38	24/38	24/37
<b>CON-PUR</b>																	
FICO	754	754	754	753	753	752	753	754	754	754	755	756	757	757	757	756	755
LTV	80	80	81	81	81	81	80	80	80	80	80	80	80	80	81	81	81
DTI	23/34	23/34	22/34	23/34	22/34	23/35	23/35	23/35	23/35	22/34	23/34	23/34	23/34	22/34	22/34	22/34	22/34

## PROFILES OF CLOSED VA LOANS

### Closed loans

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
<b>VA-REFI</b>																	
FICO	706	707	706	707	706	706	705	707	705	707	707	707	708	710	713	715	716
LTV	88	88	89	88	89	88	88	88	89	88	88	89	88	88	88	88	88
DTI	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/39	24/39	24/39
<b>VA-PUR</b>																	
FICO	709	708	707	705	704	704	704	706	706	705	707	708	709	709	708	705	702
LTV	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
DTI	24/40	24/40	24/40	24/40	24/40	24/41	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/40	24/39

### VA-REFI (% OF REFIS @ 95 LTV+)

	2016							2015									
	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar
%	49.8%	49.8	50.2	48.5	49.9	48.8	48.1	44.6	47.3	36.0	47.1	45.7	47.9	53.8	53.3	40.2	40.2

## TERMINOLOGY

**CLOSING RATE** Percentage of loan applications begun in the previous 90-day cycle that have closed.

**DEBT-TO-INCOME RATIO (DTI)** A personal finance measure that compares an individual's debt payments to the income he or she generates. Includes front-end ratio/back-end ratio.

**TIME-TO-CLOSE** Time from loan application to funding.

**REFINANCE** Includes both no-cash-out and cash-out refinances.

**FICO** A type of credit score that makes up a substantial portion of the credit report that lenders use to assess an applicant's credit risk and determine whether to extend a loan. FICO is an acronym for the Fair Isaac Corporation, the creators of the FICO score. The Ellie Mae *Origination Insight Report* looks at the average middle score from a tri-merge credit report.

**LOAN-TO-VALUE RATIO (LTV)** A lending risk-assessment ratio that financial institutions and other lenders examine before approving a mortgage. It is calculated by dividing the mortgage amount by the appraised value of the property.

## METHODOLOGY

The *Origination Insight Report* mines its application data from a robust sampling of approximately 75% percent of all mortgage applications that are initiated through Ellie Mae's Encompass all-in-one mortgage management solution.

The *Origination Insight Report* focuses on loans that closed or were denied in a specific month and compares their characteristics to similar loans that closed or were denied three and six months earlier. The closing rate is calculated on a 90-day cycle rather than on a monthly basis because most loan applications typically take one-and-a-half to two months from application to closing. Loans that do not close could still be active applications or applications withdrawn by consumers or denied for incompleteness or nonqualification.

The *Origination Insight Report* details aggregated, anonymized data and does not disclose client-specific or proprietary information.

*News organizations have the right to reuse this data, provided that Ellie Mae, Inc., is credited as the source.*



JONATHAN CORR, PRESIDENT AND CEO

## ABOUT ELLIE MAE

Ellie Mae (**NYSE: ELLI**) is a leading provider of innovative on-demand software solutions and services for the residential mortgage industry. Mortgage lenders of all sizes use Ellie Mae's Encompass® all-in-one mortgage management solution, Mavent Compliance Service, and AllRegs research, reference and education resources to improve compliance, loan quality and efficiency across the entire mortgage lifecycle.

Visit [www.EllieMae.com](http://www.EllieMae.com) or call (877) 355-4362 to learn more.



# EllieMae®

© 2016 Ellie Mae, Inc. Ellie Mae®, Encompass®, DataTrac®, Ellie Mae Network™, and the Ellie Mae logo are registered trademarks or trademarks of Ellie Mae, Inc., or its subsidiaries. All rights reserved. Other company and product names may be trademarks or copyrights of their respective owners.